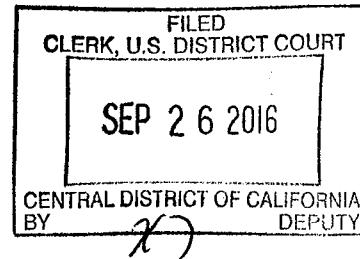


Douglas Kruschen
P.O. Box 465
Agoura Hills, CA 91376-0465
(805) 225-3328
(Plaintiff Pro Se)



**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

DOUGLAS KRUSCHEN, an individual,

Plaintiff

V.

FIRST ADVANTAGE CORPORATION, a Delaware corporation, FIRST ADVANTAGE BACKGROUND SERVICES CORP, a Florida corporation, SOURCE SUPPORT SERVICES, INC., a Georgia corporation, and LOCKHEED MARTIN CORPORATION, a Maryland corporation,

Defendants

Case No.: 2:16-CV-02948 DMG(AJWx)

**VERIFIED FIRST AMENDED
COMPLAINT AND DEMAND FOR
JURY TRIAL**

COMES NOW Plaintiff DOUGLAS KRUSCHEN, an individual, and for causes of action against Defendant(s), alleges as follows:

INTRODUCTION

1. Count I of Plaintiff's Complaint is based on the Fair Credit Reporting Act, *15 U.S.C. § 1681 et seq.* (FCRA).

- 1 2. Count II of Plaintiff's Complaint is based on the Consumer Credit Reporting
- 2 Agencies Act, *California Civil Code § 1785 et seq.* (CCRAA)
- 3 3. Count III of Plaintiff's Complaint is based on the Investigative Consumer
- 4 Reporting Agencies Act, *California Civil Code § 1786 et seq.* (ICRAA).

5 **JURISDICTION AND VENUE**

- 6 4. Jurisdiction of this court arises pursuant to *15 U.S.C. § 1681 et seq.*, and *28 U.S.C. § 1331*.
- 7 5. *28 U.S.C. § 1367* grants this court supplemental jurisdiction over the state
- 8 claims contained therein.
- 9 6. Defendants conduct business in the state of California, and therefore,
- 10 personal jurisdiction is established.
- 11 7. Venue is proper pursuant to *28 U.S.C. § 1391(b)(2)*.
- 12 8. Declaratory relief is available pursuant to *28 U.S.C. §§ 2201 and 2202*.

13 5 **PARTIES**

- 14 9. Plaintiff is a citizen of the state of California, residing within the federal
- 15 Central District.
- 16 10. Plaintiff is a "person" as defined by *47 U.S.C. §§ 153(39)* and *1681a(b)*.
- 17 11. Plaintiff is a "consumer" as defined by *15 U.S.C. §§ 1681a(c)* and
- 18 *1692(a)(3)*.
- 19 12. Defendants engage in "interstate communications" as defined by *47 U.S.C. § 153(28)*.
- 20 13. Defendants, at all times relevant to this complaint, were engaged in
- 21 commercial transactions throughout this county, the State of California and
- 22 the various states of the United States of America.
- 23 14. Defendant FIRST ADVANTAGE CORPORATION is a Delaware
- 24 corporation with its principal office located in Atlanta, Georgia.
- 25
- 26
- 27
- 28

- 1 15. Defendant FIRST ADVANTAGE BACKGROUND SERVICES CORP is a
- 2 Florida corporation with its principal office located in Atlanta, Georgia.
- 3 16. Defendant LOCKHEED MARTIN CORPORATION is a Maryland
- 4 corporation with its principal office located in Bethesda, Maryland.
- 5 17. Defendant SOURCE SUPPORT SERVICES, INC. is a Georgia corporation
- 6 with its principal office located in Lawrenceville, Georgia.
- 7 18. At all relevant times, Defendants acted through their agents, employees,
- 8 officers, members, directors, heirs, successors, assigns, principals, trustees,
- 9 sureties, subrogees, representatives, and/or insurers.

10 **FACTUAL ALLEGATIONS**

- 11 19. On or about November 30, 2015, Defendants LOCKHEED MARTIN
- 12 CORPORATION and SOURCE SUPPORT SERVICES, INC. contracted
- 13 with Defendant FIRST ADVANTAGE BACKGROUND SERVICES CORP
- 14 to perform a background and credit check on Plaintiff.
- 15 20. On or about November 30, 2015, Defendant FIRST ADVANTAGE
- 16 BACKGROUND SERVICES CORP prepared an investigative consumer r-
- 17 eport and shared said report with Defendants SOURCE SUPPORT
- 18 SERVICES, INC. and LOCKHEED MARTIN CORPORATION.
- 19 21. On November 30, 2015, Defendant FIRST ADVANTAGE
- 20 BACKGROUND SERVICES CORP ordered and received Plaintiff's credit
- 21 history from credit reporting agency, Experian Information Systems, Inc.
- 22 and shared said credit history with Defendants SOURCE SUPPORT
- 23 SERVICES, INC. and LOCKHEED MARTIN CORPORATION.
- 24 22. On or about February 10, 2016, Plaintiff obtained a copy of his consumer
- 25 credit report "file" from credit reporting agency, Experian Information
- 26
- 27
- 28

1 Systems, Inc. which identified that Defendants had received his credit
2 history.

3 23. Defendants did not provide FCRA disclosure(s) to Plaintiff.
4 24. Defendants did not disclose to Plaintiff the use of credit history information.
5 25. Defendants did not provide Plaintiff the opportunity to receive a copy of the
6 investigative consumer report or credit report as required by ICRAA.
7 26. At no time has Plaintiff been provided nor executed a Lockheed Martin LM-
8 1 consent form.

9 **COUNT I**

10 **DEFENDANT VIOLATED THE FAIR CREDIT REPORTING ACT (FCRA), 15**

11 **U.S.C. § 1681 et seq.**

12 27. Section 1681b(b)(2)(A) of the FCRA provides, in relevant part:
13 (b) Conditions for furnishing and using **consumer reports for employment**
14 **purposes.**

15 (2) Disclosure to consumer

16 (A) In general

17 Except as provided in subparagraph (B), a person may not procure a consumer
18 report, or cause a consumer report to be procured, for employment purposes with respect
19 to any consumer, unless—
20

21 (i) a ***clear and conspicuous*** disclosure has been made in writing to the consumer at
22 any time before the report is procured or caused to be procured, ***in a document that***
23 ***consists solely of the disclosure***, that a consumer report may be obtained for employment
24 purposes; and

25 (ii) the consumer has authorized in writing (which authorization may be made on
26 the document referred to in clause (i)) the procurement of the report by that person.

27 (Emphasis Added.)
28

1 28. Section 1681d(a) provides, in relevant part:

2 (a) Disclosure of fact of preparation

3 (1) A person may not procure or cause to be prepared an **investigative**
4 **consumer report** on any consumer unless—

5 (1) it is **clearly and accurately disclosed** to the consumer that an investigative
6 consumer report including information as to his character, general reputation, personal
7 characteristics, and mode of living, whichever are applicable, may be made, and such
8 disclosure

9 (A) is made in a writing mailed, or otherwise delivered, to the consumer, not later
10 than three days after the date on which the report was first requested, and

11 (B) **includes a statement informing the consumer of his right to request the**
12 **additional disclosures** provided for under subsection (b) of this section **and the written**
13 **summary of the rights of the consumer prepared pursuant to section 1681g(c)** of this
14 title; (Emphasis Added.)

15 29. Defendants violated Section 1681b(b)(2)(A) of the FCRA by failing to
16 provide Plaintiff with a clear and conspicuous written disclosure, before a
17 consumer report was procured or caused to be procured, that a consumer
18 report may be obtained for employment purposes, in a document that
19 consists solely of the disclosure.

20 30. Based upon the facts likely to have evidentiary support after a reasonable
21 opportunity for further investigation and discovery, Defendants have a
22 policy and practice of failing to provide adequate written disclosures before
23 procuring consumer reports or causing consumer reports to be procured.
24 Pursuant to that policy and practice, Defendants procured a consumer report
25 or caused a consumer report to be procured without first providing a written
26

1 disclosure to Plaintiff in compliance with Section 1681b(b)(2)(A) of the
2 FCRA.

3 31. Defendants' conduct in violation of Section 1681b(b)(2)(A) of the FCRA
4 was willful. Defendants acted in deliberate or reckless disregard of their
5 obligations and the rights of Plaintiff. Defendants' willful conduct is
6 reflected by, among other things, the following facts:

7 (a) Defendants are large companies with access to legal advice through inside and
8 outside counsel;

9 (b) Defendants made reference to background checks in their correspondence with
10 Plaintiff, which although defective, evidences Defendants' awareness of and willful
11 failure to follow the governing laws concerning such authorizations.

12 32. Defendants violated section 1681d(a)(1) of the FCRA by failing to "clearly
13 and accurately" disclose that an investigative consumer report may be made;
14 failing to include a statement informing Plaintiff that an investigative
15 consumer report involves personal interviews with sources such as
16 neighbors, friends, or associates; failing to inform them of their right to
17 request the additional disclosures provided for under 1681d(b); and failing to
18 provide a written summary of Plaintiff's rights under 1681g(c) as part of the
19 disclosure.

20 33. On information and belief and based upon the facts likely to have
21 evidentiary support after a reasonable opportunity for further investigation
22 and discovery, Defendants have policies and practices of procuring
23 investigative consumer reports or causing investigative consumer reports to
24 be procured without providing a written summary of rights under the FCRA
25 at the same time as the disclosure explaining that an investigative consumer
26 report may be made. Pursuant to that policy and practice, Defendants
27

1 procured investigative consumer reports or caused investigative consumer
2 reports to be procured regarding Plaintiff without providing a timely written
3 summary of his rights under the FCRA.

4 34. Accordingly, Defendants willfully violated and continue to violate the
5 FCRA including, but not limited to, Sections 1681b(b)(2)(A) and 1681d(a).
6 Defendants' willful conduct is reflected by, among other things, the facts set
7 forth above.

8 35. As a result of Defendants' illegal procurement of background reports by way
9 of their inadequate disclosures, as set forth above, Plaintiff has been injured
10 including, but not limited to, having his privacy and statutory rights invaded
11 in violation of the FCRA.

12 **COUNT II**

13 **CONSUMER CREDIT REPORTING AGENCIES ACT (CCRAA), Cal. Civ. Code**

14 **§ 1785 *et seq.***

15 36. Plaintiff repeats, re-alleges and incorporates by reference each of the
16 foregoing paragraphs, and each and every part thereof with the same force
17 and effect as though set out at length herein.

18 37. Section 1785.3(c) of the CCRAA defines "consumer credit report" as "any
19 written, oral, or other communication of any information by a consumer
20 credit reporting agency bearing on a consumer's credit worthiness, credit
21 standing, or credit capacity, which is used or is expected to be used, or
22 collected in whole or in part, for the purpose of serving as a factor in
23 establishing the consumer's eligibility for: (1) credit to be used primarily for
24 personal, family, or household purposes, or (2) employment purposes, or (3)
25 hiring of a dwelling unit, as defined in subdivision (c) of Section 1940, or
26 (4) other purposes authorized in Section 1785.11."

27

1 38. Section 1785.3(c) of the CCRAA defines “consumer credit reporting
2 agency” as “any person who, for monetary fees, dues, or on a cooperative
3 nonprofit basis, regularly engages in whole or in part in the business of
4 assembling or evaluating consumer credit information or other information
5 on consumers for the purpose of furnishing consumer credit reports to third
6 parties, but does not include any governmental agency whose records are
7 maintained primarily for traffic safety, law enforcement, or licensing
8 purposes.”

9 39. Section 1785.20.5 provides, in relevant part:

10 “Prior to requesting a consumer credit report for employment purposes, the user of
11 the report shall provide written notice to the person involved. The notice shall inform the
12 person that a report will be used, and shall identify the specific basis under subdivision
13 (a) of Section 1024.5 of the Labor Code for use of the report. The notice shall also inform
14 the person of the source of the report, and shall contain a box that the person may check
15 off to receive a copy of the credit report. If the consumer indicates that he or she wishes
16 to receive a copy of the report, the user shall request that a copy be provided to the person
17 when the user requests its copy from the credit reporting agency. The report to the user
18 and to the subject person shall be provided contemporaneously and at no charge to the
19 subject person.”

20 40. Defendants violated Section 1785.20.5(a) of the CCRAA by failing to
21 provide written notice to Plaintiff inform him that a report will be used,
22 failing to identify the specific basis under subdivision (a) of Section 1024.5
23 of the Labor Code for use of the report, failing to inform Plaintiff of the
24 source of the report, and failing to provide Plaintiff notice containing a box
25 that he may check off to receive a copy of the credit report
26 contemporaneously and at no charge to him.

41. Based upon the facts likely to have evidentiary support after a reasonable opportunity for further investigation and discovery, Defendants have a policy and practice of failing to provide adequate written disclosures before procuring consumer credit reports or causing consumer credit reports to be procured. Pursuant to that policy and practice, Defendants procured a consumer credit report or caused a consumer credit report to be procured without first providing a written disclosure to Plaintiff in compliance with Section 1785.20.5(a) of the CCRAA.
42. Defendants' conduct in violation of Section 1785.20.5(a) of the CCRAA was negligent and willful. Defendants acted in deliberate or reckless disregard of their obligations and the rights of Plaintiff. Defendants' negligent and willful conduct is reflected by, among other things, the following facts:
 - (a) Defendants are large companies with access to legal advice through inside and outside counsel and employ hundreds, if not thousands, of persons.
43. As a result of Defendants' illegal procurement of consumer credit reports by way of their inadequate disclosures, as set forth above, Plaintiff has been injured including, but not limited to, having his privacy and statutory rights invaded in violation of the CCRAA.

COUNT III

DEFENDANTS VIOLATED THE INVESTIGATIVE CONSUMER REPORTING AGENCIES ACT (ICRAA), Cal. Civ. Code § 1786 et seq.

44. Plaintiff repeats, re-alleges and incorporates by reference each of the foregoing paragraphs, and each and every part thereof with the same force and effect as though set out at length herein.

1 45. Section 1786.2(c) of the ICRAA defines “investigative consumer report” as
2 “a consumer report in which information on a consumer’s character, general
3 reputation, personal characteristics, or mode of living is obtained through
4 any means.”

5 46. Section 1786.2(d) of the ICRAA defines “investigative consumer reporting
6 agency” as “any person who, for monetary fees or dues, engages in whole or
7 in part in the practice of collecting, assembling, evaluating, compiling,
8 reporting, transmitting, transferring, or communicating information
9 concerning consumers for the purposes of furnishing investigative consumer
10 reports to third parties, but does not include any governmental agency whose
11 records are maintained primarily for traffic safety, law enforcement, or
12 licensing purposes, or any licensed insurance agent, insurance broker, or
13 solicitor, insurer, or life insurance agent.”

14 47. Section 1786.16(b)(1) provides, in relevant part:

15 (b) Any person described in subdivision (d) of Section 1786.12 who requests an
16 investigative consumer report, in accordance with subdivision (a) regarding that
17 consumer, shall do the following:

18 (1) Provide the consumer a means by which the consumer may indicate on a
19 written form, by means of a box to check, that the consumer wishes to receive a copy of
20 any report that is prepared. **If the consumer wishes to receive a copy of the report, the**
21 **recipient of the report shall send a copy of the report to the consumer within three**
22 **business days of the date that the report is provided to the recipient, who may**
23 **contract with any other entity to send a copy to the consumer.** The notice to request
24 the report may be contained on either the disclosure form, as required by subdivision (a),
25 or a separate consent form. The copy of the report shall contain the name, address, and
26

1 telephone number of the person who issued the report and how to contact them.

2 (Emphasis Added.)

3 48. Defendants violated Section 1786.16(b)(1) by failing to provide to Plaintiff
4 the opportunity to receive a copy of his investigative consumer report when
5 requested within three business days of the date that the report was provided
6 to Defendant.

7 49. As a result of Defendants' willful or grossly negligent failure to provide the
8 required form and/or report(s) as set forth above, Plaintiff has been injured
9 by, among other things, having his privacy and statutory rights invaded in
10 violation of the ICRAA.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff, DOUGLAS KRUSCHEN, requests judgment be entered
13 against Defendants, FIRST ADVANTAGE BACKGROUND SERVICES CORP,
14 SOURCE SUPPORT SERVICES, INC. and LOCKHEED MARTIN CORPORATION
15 for the following:

16 **Count I:**

17 50. Declaratory judgment that Defendants' conduct violated the Fair Credit
18 Reporting Act,
19 51. Statutory and/or actual damages pursuant to the Fair Credit Reporting Act,
20 *15 U.S.C. § 1681n*,
21 52. Punitive damages pursuant to the Fair Credit Reporting Act, *15 U.S.C. §*
22 *1681n*,
23 53. Costs and reasonable attorney's fees pursuant to the Fair Credit Reporting
24 Act, *15 U.S.C. § 1681n*, and
25 54. Any other relief as the court deems appropriate.

1 55. In the alternative to Plaintiff's allegation that these violations were willful,
2 Plaintiff alleges that the violations were negligent and seeks the appropriate
3 remedy, if any, under 15 U.S.C. § 1681o.

4 **Count II:**

5 56. Declaratory judgment that Defendants' conduct violated the Consumer
6 Credit Reporting Agencies Act,
7 57. Actual damages pursuant to the Consumer Credit Reporting Agencies Act,
8 *Cal. Civ. Code § 1785.31(a)(1)*,
9 58. Punitive damages pursuant to the Consumer Credit Reporting Agencies Act,
10 *Cal. Civ. Code § 1785.31(a)(2)(B)*,
11 59. Injunctive and equitable relief pursuant to the Consumer Credit Reporting
12 Agencies Act, *Cal. Civ. Code § 1785.31(b)*,
13 60. Costs and reasonable attorney's fees pursuant to the Consumer Credit
14 Reporting Agencies Act, *Cal. Civ. Code § 1785.31(d)*, and
15 61. Any other relief as the court deems appropriate.

16 **Count II:**

17 62. Declaratory judgment that Defendants' conduct violated the Investigative
18 Consumer Reporting Agencies Act,
19 63. Actual damages pursuant to the Investigative Consumer Reporting Agencies
20 Act, *Cal. Civ. Code § 1786.50*,
21 64. Punitive damages pursuant to the Investigative Consumer Reporting
22 Agencies Act, *Cal. Civ. Code § 1786.50*,
23 65. Injunctive and equitable relief pursuant to the Investigative Consumer
24 Reporting Agencies Act, *Cal. Civ. Code § 1786.50*,
25 66. Costs and reasonable attorney's fees pursuant to the Investigative Consumer
26 Reporting Agencies Act, *Cal. Civ. Code § 1786.50*, and
27
28

1 67. Any other relief as the court deems appropriate.

2 **DEMAND FOR JURY TRIAL**

3 PLEASE TAKE NOTICE that Plaintiff, DOUGLAS KRUSCHEN, demands
4 a jury trial in this case.

5 **RESPECTFULLY SUBMITTED,**

6 Dated: September 22, 2016

7
8
9 By: Douglas Kruschen

10 *(Plaintiff Pro Se)*

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

VERIFICATION OF COMPLAINT AND CERTIFICATION

STATE OF CALIFORNIA

Plaintiff, DOUGLAS KRUSCHEN, states as follows:

1. I am the Plaintiff in this civil proceeding.
2. I believe that all of the facts contained in the above entitled civil Complaint are true, to the best of my knowledge, information and belief formed after reasonable inquiry.
3. I believe that this civil Complaint is well grounded in fact and warranted by existing law or by a good faith argument for the extension, modification or reversal of existing law.
4. I believe that this civil Complaint is not interposed for any improper purpose, such as to harass and Defendant, cause unnecessary delay to and Defendant, or create needless increase in the cost of litigation to any Defendant, named in the Complaint.
5. I have filed this Complaint in good faith and solely for the purposes set forth in it.
6. Each and every exhibit attached to this Complaint is a true and correct copy of the original.
7. Except for clearly indicated redactions made by me where appropriate, I have not altered, changed, modified or fabricated exhibits, except some may contain my own handwritten notations.

Pursuant to 28 U.S.C. § 1746(2), I, DOUGLAS KRUSCHEN, hereby declare under penalty of perjury that the foregoing is true and correct.

Dated: September 22, 2016

By: DOUGLAS KRUSCHEN

DMG

PO Box 465
Agoura Hills, CA 91376

USDC

Attn: Civil Intake
312 N Spring St, Room G-8
Los Angeles, CA 90012-2095

|||||

